Component of Statistics Canada Catalogue no. 75-001-X
Perspectives on Labour and Income

Article

Labour Force Survey: 2011 year-end review

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March 23, 2012

Statistics Canada Statistique Canada

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ON LABOUR AND INCOME

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. not available for any reference period

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... not applicable

0 true zero or a value rounded to zero

0[s] value rounded to 0 (zero) where a meaningful distinction exists between true zero and the value rounded

[p] preliminary

[r] revised

x suppressed to meet the confidentiality requirements of the *Statistics Act*

[E] use with caution

F too unreliable to be published

Highlights

In this issue

Labour Force Survey: 2011 year-end review

- The labour market continued to recover through most of 2011, but there were signs of weakness towards the end of the year. Employment and aggregate actual hours of work surpassed previous highs, while the employment rate remained below pre-downturn levels.
- Employment growth was entirely in full-time jobs, with the greatest absolute employment gains in Alberta (99,000) and Ontario (85,000).
- Employment growth was concentrated among prime-age and older workers. Employment fell for youth and youth unemployment remained stubbornly high—ending the year at 14.1%.
- Employment grew strongly for landed immigrants who had been in Canada at least 10 years, but their unemployment rate edged up to 7.1% due to higher participation in the labour market. Just the opposite occurred for immigrants who had landed in the previous 5 years: employment fell by 6.0%, but a decreasing participation rate also led to a drop in the unemployment rate.
- In 2011, the employment rate among Aboriginal peoples increased by 2.7 percentage points after declining 5.6 percentage points from 2008 to 2010. Employment rates increased for all age groups except for those 55 and over in 2011, with the largest absolute increase among prime-age Aboriginal peoples.
- Overall, job growth in the service sector (1.4%) outpaced the goods sector (0.2%), but there were pockets of strength and weakness in each sector.

Perspectives

Labour Force Survey: 2011 year-end review

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Strong start, weaker finish

The labour market continued to recover through most of 2011, but there were signs of weakness towards the end of the year (Chart A). Employment increased by 1.3% from December 2010 to September 2011 then fell by 0.3% before recovering somewhat in December 2011, for a 12-month increase of 1.1%. This represented a net gain of 190,000 jobs over December 2010, all in full-time employment.

As more people found employment in the first-three quarters of 2011, the unemployment rate fell steadily from 7.6% in December 2010 to 7.2% in September 2011—its lowest point since December 2008. The rate subsequently increased by 0.3 percentage points to end the year at 7.5%, just under its December 2010 level.

Despite employment increases over the year, the employment rate remained the same as in December 2010, at 61.7%. This is because employment growth kept pace with population growth (1.1%).

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While employment surpassed its pre-downturn level in January, actual hours worked did not reach this milestone until July. Actual hours grew by 1.9% from December to August and then remained essentially flat through the end of the year as small gains in the average number of hours per worker offset small decreases in employment.

Alberta accounts for more than one-half of net job creation

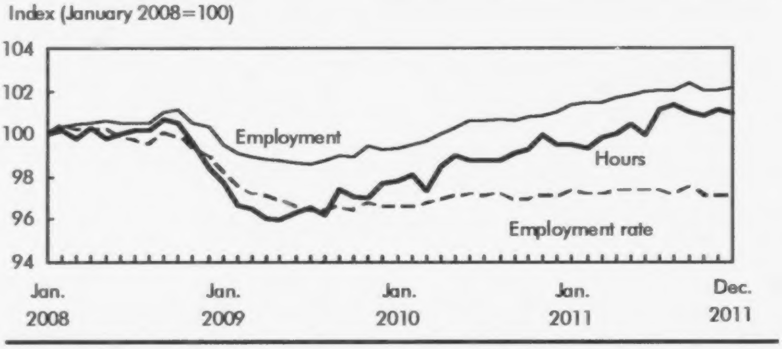
Over the course of 2011, employment increased in every province except Quebec (Chart B). Alberta added almost 100,000 jobs, more than one-half of the net gain for the entire country. Employment grew by 85,000 in Ontario and 33,000 in British Columbia, but fell by 56,000 in Quebec.

In percentage terms, employment grew at about the same pace in Atlantic Canada as in the western provinces. However, the unemployment rate remained much higher in Atlantic Canada than in the west, ranging from highs of 12.7% in Newfoundland and Labrador and 11.2% in Prince Edward Island to lows of 5.2% in Saskatchewan and 4.9% in Alberta.

Population age 55 and over grows by 282,000, driving workforce aging

Population aging continues to be a driving force in the labour market (Table 1). The largest cohorts of the

Chart A Employment rate slow to recover



Source: Statistics Canada, Labour Force Survey, January 2008 to December 2011, seasonally adjusted data.

Table 1 Employment by selected labour market characteristics

	December 2010	December 2011	Change	
	'000		'000	% change
Total employment[1]	**17,164.7**	**17,354.7**	**190.0**	**1.1**
Full-time	13,847.5	14,052.5	205.0	1.5
Part-time	3,317.2	3,302.2	-15.0	-0.5
Age and sex[1]				
Men	9,018.8	9,101.9	83.1	0.9
Women	8,145.9	8,252.8	106.9	1.3
Both sexes, 15 to 24	2,464.0	2,444.9	-19.1	-0.8
Men, 25 to 54	6,137.7	6,169.2	31.5	0.5
Women, 25 to 54	5,554.2	5,627.5	73.3	1.3
Men, 55 and over	1,651.4	1,706.3	54.9	3.3
Women, 55 and over	1,357.4	1,406.7	49.3	3.6
Class of worker[1]				
Public-sector employees	3,560.3	3,555.3	-5.0	-0.1
Private-sector employees	10,979.9	11,124.5	144.6	1.3
Self-employed	2,624.6	2,674.9	50.3	1.9
Province[1]				
Newfoundland and Labrador	222.9	227.2	4.3	1.9
Prince Edward Island	69.9	73.4	3.5	5.0
Nova Scotia	447.1	458.4	11.3	2.5
New Brunswick	353.4	354.5	1.1	0.3
Quebec	3,961.9	3,906.0	-55.9	-1.4
Ontario	6,669.0	6,753.5	84.5	1.3
Manitoba	620.6	626.5	5.9	1.0
Saskatchewan	524.7	528.0	3.3	0.6
Alberta	2,033.9	2,133.2	99.3	4.9
British Columbia	2,261.3	2,293.9	32.6	1.4
Industry[1]				
Goods-producing sector	3,787.1	3,793.9	6.8	0.2
Agriculture	297.9	306.3	8.4	2.8
Forestry, fishing, mining, quarrying, oil and gas	330.1	355.3	25.2	7.6
Utilities	147.8	133.8	-14.0	-9.5
Construction	1,229.1	1,264.9	35.8	2.9
Manufacturing	1,782.2	1,733.6	-48.6	-2.7
Service-producing sector	13,377.7	13,560.8	183.1	1.4
Trade	2,668.7	2,662.1	-6.6	-0.2
Transportation and warehousing	865.2	849.5	-15.7	-1.8
Finance, insurance, real estate and leasing	1,085.8	1,052.3	-33.5	-3.1
Professional, scientific and technical	1,272.8	1,352.3	79.5	6.2
Business, building and other support	677.2	661.0	-16.2	-2.4
Educational services	1,207.8	1,220.3	12.5	1.0
Health care and social assistance	2,055.8	2,111.8	56.0	2.7
Information, culture and recreation	769.2	772.6	3.4	0.4
Accommodation and food	1,054.9	1,120.3	65.4	6.2
Other	747.7	782.7	35.0	4.7
Public administration	972.6	975.9	3.3	0.3
Occupation[1]				
Management	1,504.9	1,491.6	-13.3	-0.9
Business, finance and administrative	3,129.4	3,099.3	-30.1	-1.0
Natural and applied sciences and related	1,256.5	1,273.3	16.8	1.3
Health	1,112.0	1,180.6	68.6	6.2
Social science, education, government service and religion	1,616.3	1,590.4	-25.9	-1.6
Art, culture, recreation and sport	544.5	594.6	50.1	9.2
Sales and service	4,131.6	4,155.2	23.6	0.6

Table 1 Employment by selected labour market characteristics (concluded)

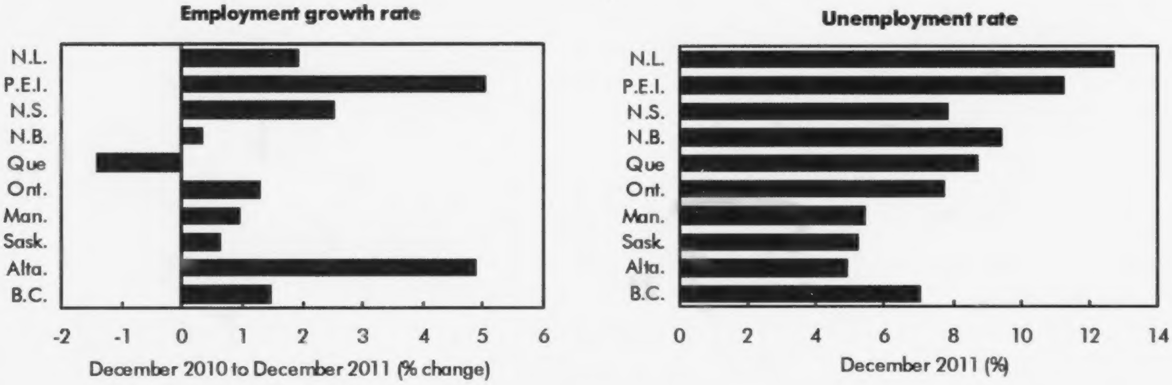
Trades, transport and equipment operators	2,564.0	2,632.0	68.0	2.7
Primary industry	510.7	514.6	3.9	0.8
Processing, manufacturing and utilities	794.9	823.0	28.1	3.5
Job status (employees only)²				
Permanent	12,659.5	12,748.3	88.8	0.7
Temporary	1,802.7	1,849.4	46.7	2.6
Educational attainment²				
Less than high school	1,762.9	1,767.9	5.0	0.3
High school graduate/some postsecondary	4,689.5	4,796.9	107.4	2.3
Postsecondary certificate or diploma	6,188.2	6,186.0	-2.2	0.0
University degree	4,446.7	4,521.0	74.3	1.7

1. Seasonally adjusted data.
2. Data not seasonally adjusted.
Source: Statistics Canada, Labour Force Survey, December 2010 and December 2011.

baby boom generation are starting to enter the 55-and-over age range, concentrating population growth in a group with lower participation rates. The aging of the population will thus have a depressing effect on the overall participation rate unless the participation rate of those 55 and over increases enough to offset this compositional effect. In fact, the participation rate of older Canadians edged up in 2011, entirely attributable to gains among older women.

Employment continued to grow among those 55 and over, almost entirely as a result of population growth of about 282,000 in this group. After 15 years of increases, the employment rates for men and women 55 and over ended the year very close to where they started. Employment rate declines among 65- to 69-year-old men and 60- to 64-year-old women offset small gains among other older age groups.

Chart B More jobs in East and West but unemployment remains higher in East



Source: Statistics Canada, Labour Force Survey, December 2010 to December 2011, seasonally adjusted data.

Workforce age 25 to 54 also increases

The employment rate of prime-age workers increased from 80.6% to 81.1%, December to December. The increase was mainly among prime-age women as their employment rate increased by 0.8 percentage points, while the rate for men edged up by 0.2 percentage points. Both rates remain below their pre-recession highs, by about 1 point for women and 2.5 points for men.

Recovery stalls for youth

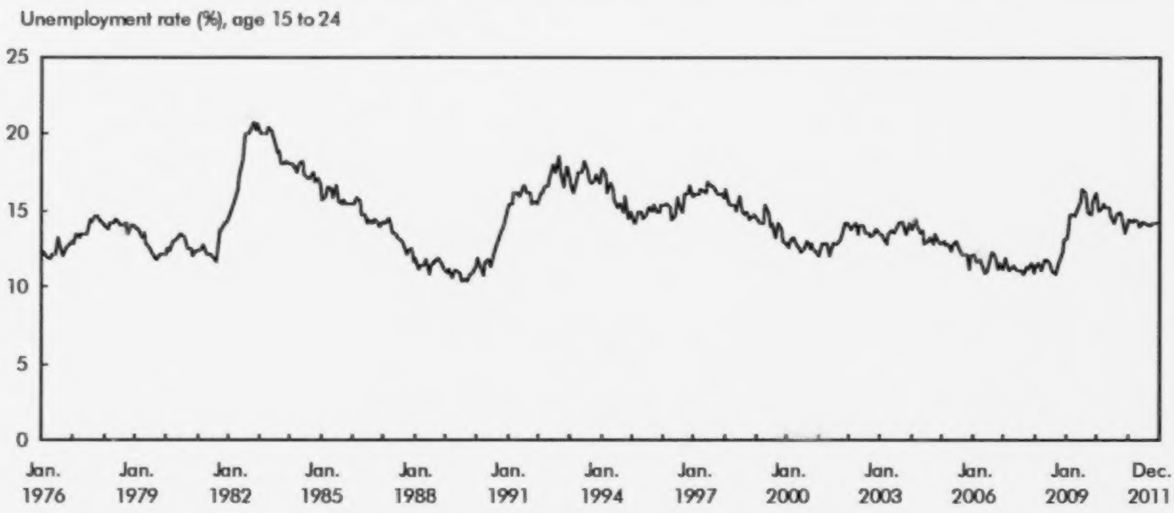
Youth have much more ground to make up to regain their pre-recession employment rate. Their employment rate fell by 0.3 percentage points over the year and remained more than 5 percentage points below their pre-recession high. As a result, the unemployment rate for youth from 15 to 24 increased from 14.0% in December 2010 to 14.4% in March 2011, before easing back to 14.1% in December 2011 (Chart C). With the slack labour market conditions for youth, the proportion of 15- to 24-year-olds attending school increased from 59.8% in the fall of 2008 to 61.8% in the fall of 2011.

The persistence of youth unemployment following the downturn is not unprecedented. Current levels of youth unemployment are similar to those 3 years after the onset of the 1980s recession, but remain well below persistently high levels of youth unemployment experienced through most of the 1990s.

Participation and employment rates down for recent immigrants

The employment rates of landed immigrants and the Canadian-born remained virtually unchanged in 2011, preserving a gap of 7 percentage points in favour of the Canadian-born (Table 2). The trend for immigrants differed according to the time they had spent in Canada: the employment rate was up for those who had landed more than 10 years ago and down for more recent arrivals—particularly for those who had been in Canada 5 years or less. However, the participation rate of these very recent immigrants fell further than their employment rate such that their unemployment rate fell by 1.7 percentage points.

Chart C Youth unemployment high, but lower than in most of 1990s



Source: Statistics Canada, Labour Force Survey, January 1976 to December 2011, seasonally adjusted data.

Table 2 Immigrants and the labour market

	December 2010	December 2011	Change	
	'000		'000	% change
Total employment	**17,132.9**	**17,330.1**	**197.2**	**1.2**
Landed immigrants	3,516.7	3,645.6	128.9	3.7
Immigrants, landed 5 years or less earlier	496.1	466.2	-29.9	-6.0
Immigrants, landed more than 5 to 10 years earlier	621.0	630.2	9.2	1.5
Immigrants, landed more than 10 years earlier	2,399.6	2,549.2	149.6	6.2
Born in Canada	13,360.3	13,377.6	17.3	0.1
Employment rate	%		% point change	
Total	61.7	61.7	0.0	...
Landed immigrants	56.5	56.4	-0.1	...
Immigrants, landed 5 years or less earlier	56.5	54.9	-1.6	...
Immigrants, landed more than 5 to 10 years earlier	66.2	65.2	-1.0	...
Immigrants, landed more than 10 years earlier	54.4	54.9	0.5	...
Born in Canada	63.3	63.3	0.0	...
Gap, Canadian-born versus immigrants	6.8	6.9	...	...
Unemployment rate				
Total	7.1	6.9	-0.2	...
Landed immigrants	8.8	8.5	-0.3	...
Immigrants, landed 5 years or less earlier	15.6	13.9	-1.7	...
Immigrants, landed more than 5 to 10 years earlier	9.5	9.8	0.3	...
Immigrants, landed more than 10 years earlier	7.0	7.1	0.1	...
Born in Canada	6.7	6.4	-0.3	...
Gap, Canadian-born versus immigrants	-2.1	-2.1	...	...

Source: Statistics Canada, Labour Force Survey, December 2010 and December 2011, data not seasonally adjusted.

Data source and definitions

The Labour Force Survey (LFS) is a monthly household survey that collects information on labour market activity from the civilian, non-institutionalized population 15 years of age and over. The survey uses a rotating sample of approximately 54,000 households, with each household remaining in the sample for six consecutive months.

The LFS divides the working-age population into three mutually exclusive classifications: employed, unemployed, and not in the labour force. For a full listing and description of LFS variables, see the *Guide to the Labour Force Survey* (Statistics Canada 2011).

The employment rate is employed persons as a percentage of the population 15 years of age and over. The rate for a particular group (for example, youth age 15 to 24) is the employed in that group as a percentage of the population for that group.

The unemployment rate is the unemployed as a percentage of the labour force. The unemployment rate for a particular group is the unemployed in that group as a percentage of the labour force for that group.

Fluctuations in economic time series are caused by seasonal, cyclical and irregular movements. A seasonally adjusted series is one from which seasonal movements have been eliminated. The monthly data for immigrants, Aboriginal peoples, employment by educational attainment and industry 3-digit level subgroups have not been seasonally adjusted. All other data presented in this article have been seasonally adjusted.

This analysis uses industry employment estimates categorized by the North American Industry Classification System (NAICS) at the 2-digit level. Some references are made to sub-groups at the 3-digit level that meet publication quality guidelines.

Data shown at the 2-digit level have been seasonally adjusted and are identified in the text by [a], and the 3-digit level, non-adjusted data by [b].

Table 3 Aboriginal peoples and the labour market

	December					Change 2010-2011	
	2007	2008	2009	2010	2011		
Employment, all ages			'000			'000	% change
Total, all ages	16,931.6	17,101.4	16,848.8	17,134.8	17,330.8	196.0	1.1
Non-Aboriginal	16,563.3	16,715.0	16,485.7	16,773.5	16,945.7	172.2	1.0
Aboriginal	368.3	386.4	363.0	361.3	385.1	23.8	6.6
First Nations living off-reserve	166.7	173.0	164.1	162.7	171.9	9.2	5.7
Métis	192.8	205.5	192.4	192.0	205.5	13.5	7.0
Employment rate			%			% point change 2010-2011	
Total, all ages	63.5	63.2	61.4	61.7	61.7	0.0	...
Non-Aboriginal	63.6	63.3	61.5	61.8	61.8	0.0	...
Aboriginal	58.1	60.0	55.5	54.4	57.1	2.7	...
First Nations living off-reserve	53.9	55.2	51.6	50.5	52.7	2.2	...
Métis	62.1	64.9	59.2	58.5	61.4	2.9	...
Total, age 15 to 24	58.0	57.6	53.1	53.1	53.5	0.4	...
Non-Aboriginal	58.4	57.8	53.5	53.4	53.7	0.3	...
Aboriginal	47.6	50.8	44.2	45.3	48.3	3.0	...
First Nations living off-reserve	42.2	42.4	38.4	38.3	43.3	5.0	...
Métis	54.3	59.8	51.2	52.4	53.5	1.1	...
Total, age 25 to 54	82.6	82.4	80.6	80.9	81.4	0.5	...
Non-Aboriginal	82.9	82.7	81.0	81.3	81.7	0.4	...
Aboriginal	70.3	71.4	67.3	65.1	70.1	5.0	...
First Nations living off-reserve	64.7	66.0	62.6	61.5	63.8	2.3	...
Métis	75.8	77.0	71.8	69.3	76.4	7.1	...
Total, 55 and over	32.5	32.8	33.2	34.4	34.2	-0.2	...
Non-Aboriginal	32.4	32.7	33.2	34.4	34.2	-0.2	...
Aboriginal	34.5	34.8	34.7	34.4	34.3	-0.1	...
First Nations living off-reserve	33.2	35.3	34.8	32.1	32.8	0.7	...
Métis	34.9	33.6	34.6	36.8	35.6	-1.2	...

Source: Statistics Canada, Labour Force Survey, December 2007 to December 2011, data not seasonally adjusted.

Aboriginal workers fare better in 2011 than in previous 2 years

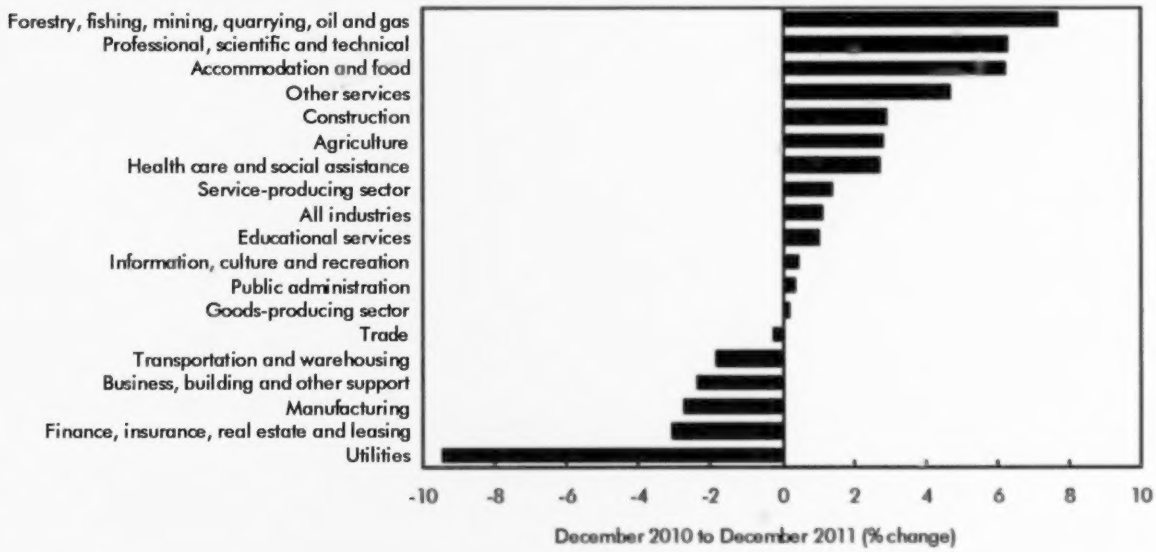
In 2011, the employment rate among Aboriginal peoples increased by 2.7 percentage points after declining 5.6 percentage points from 2008 to 2010 (Table 3). Employment rates increased for all age groups except for those 55 and over in 2011, with the largest absolute increase among prime-age Aboriginal peoples. Employment increased for both First Nations living off-reserve and Métis over the year.

Service sector outpaces goods sector

Employment growth varied widely across industries in 2011 (Chart D). Overall, job growth in the service sector (1.4%)[a] outpaced the goods sector (0.2%),[a] but there were pockets of strength and weakness in each sector.

Most pockets of growth in the goods sector were found in primary industries. Mining and oil and gas extraction added workers from December 2010 to December 2011, led by strong growth in oil and gas and support activities.

Chart D Employment growth differed greatly across industries



Source: Statistics Canada, Labour Force Survey, December 2010 to December 2011, seasonally adjusted data.

The manufacturing sector shed 49,000[a] jobs from December 2010 to December 2011, despite strong showings in some industries. Employment increased in machinery manufacturing and transportation equipment manufacturing.

Jobs in labour-intensive manufacturing industries continued to disappear in 2011. Textile mills and textile product mills, clothing manufacturing and leather and allied product manufacturing, and furniture and related product manufacturing all shed their workforces in the ensuing 12 months.

Chemicals, plastics and rubber products, and non-metallic mineral product manufacturers also had a difficult year. Employment in computer and electronic equipment manufacturing was also down.

Employment in construction grew by 2.9% (36,000)[a] in 2011. On the other hand, utilities employed 9.5%[a] fewer people in December 2011 than in December 2010.

In the service sector, there were pockets of strength in two sub-sectors that are generally associated with higher-paying jobs. Employment grew by 6.2%[a] in professional, scientific and technical services. The health care and social assistance sub-sector also added 56,000[a] jobs, with healthy gains in ambulatory health care services and nursing and residential care services offset by losses in social assistance.

Some sectors associated with lower-paying jobs also experienced significant growth in 2011. Employment in accommodations and food services advanced by 65,000[a] between December 2010 and December 2011, fuelled by gains in accommodation services. Similarly, private households added workers accounting for more than one-half of the net gain in "other services."

Results in other large service sub-sectors were mixed. Retail trade, with over 2.0 million employees, added 19,000 jobs (0.9%)[b] in 2011, the net result of widely varying trends within the industry. For example,

employment increased substantially in clothing and clothing accessories stores and in health and personal care stores, but they fell significantly in furniture and home furnishing stores and among non-store retailers. Overall gains in retail trade were offset by losses in wholesale trade, leaving this sector changed little over the year.

Jobs in educational services increased by 1.0%* as growth in university and "other schools and educational support" offset losses in primary, secondary and other postsecondary institutions.

Employment in public administration changed little in 2011 (0.3%)* as job gains at the local, municipal and regional levels counterbalanced losses at the federal and provincial levels. Similarly, information, culture and recreation sector jobs were up 0.4%* December to December.

Jobs in the finance, insurance and real estate sector fell by 3.1%* from December 2010 to December 2011, fuelled by losses in the banking sub-sector and in rental and leasing services. The transportation and warehousing sector also shed a significant number of jobs in 2011, with the losses spread across a number of industries. However, this sector also had some pockets of employment growth, mainly in truck transportation and warehousing and storage.

Employment declines among some white-collar occupations

Employment increased in most occupations, but lost ground among occupations in social science, education, government service and religion; business, finance and administrative occupations; and managers. In combination, these three occupational groups shed 69,000 jobs between December 2010 and December 2011.

Strong growth in health occupations

Mirroring industry trends, employment in health occupations advanced by 69,000 (6.2%), with growth more concentrated in technical and assisting occupations than in health professions. In relative terms, growth was even stronger in occupations in art, culture, recreation and sport, where employment was up 9.2% (50,000) December to December. Natural and applied sciences and related occupations (1.3%) and sales and service occupations (0.6%) experienced moderate job growth.

Increasing ranks of blue-collar workers

Blue-collar occupations were a source of strength, accounting for more than one-half of net job creation in 2011. In absolute terms, trades, transport and equipment operators and related occupations added the most jobs (68,000), while occupations unique to processing, manufacturing and utilities grew at a pace of 3.5%. Employment increased only moderately in occupations unique to primary industries.

Surge in employment for high school grads, but unemployment rate remains high in this group

The increase in blue-collar jobs lines up with a surge in employment for people with only a high school diploma (Table 4). High school graduates held 229,000 more jobs in December 2011 than in December 2010.

Table 4 Education and the labour market

	Total	Less than high school	High school graduate	Some post-secondary	Post-secondary certificate or diploma	University degree
				'000		
Employment						
December 2010	17,087.2	1,762.9	3,298.2	1,391.3	6,188.2	4,446.7
December 2011	17,271.7	1,767.9	3,527.3	1,269.6	6,186.0	4,521.0
Change	184.5	5.0	229.1	-121.7	-2.2	74.3
Employment rate				%		
December 2010	61.4	32.5	61.2	58.7	71.3	74.8
December 2011	61.4	32.9	61.4	57.7	70.5	74.9
Change	0.0	0.4	0.2	-1.0	-0.8	0.1
Unemployment rate						
December 2010	7.0	14.5	7.8	7.9	5.8	4.6
December 2011	6.9	14.3	7.3	8.4	5.9	4.2
Change	-0.1	-0.2	-0.5	0.5	0.1	-0.4

Source: Statistics Canada, Labour Force Survey, December 2010 and December 2011, data not seasonally adjusted.

Employment also increased by 74,000 among university graduates, but declined significantly among those with incomplete postsecondary education. Despite the job gains among high school graduates, their employment rate still trails that of university graduates by 13.5 percentage points and their unemployment rate is 3.1 percentage points higher.

Perspectives

■ Reference

Statistics Canada. 2011. *Guide to the Labour Force Survey*. Statistics Canada Catalogue no. 71-543-G. March. Ottawa. http://www.statcan.gc.ca/pub/71-543-g/71-543-g2011001-eng.htm (accessed February 15, 2012).